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November 21, 2001

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

BY HAND

Magalie Roman Salas, Secretary  
Federal Communications Commission  
445 Twelfth Street, S.W. - Suite TW-A325  
Washington, D.C. 20554

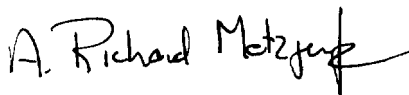
Re: *Ex Parte Presentation*  
In the Matter of Performance Measurements and Standards for Interstate  
Special Access Services, CC Docket No. 01-321 /

Dear Ms. Salas:

On November 20, 2001, Louis Prestwood and Donna Sorgi, WorldCom, Inc. and A. Richard Metzger, Jr., counsel to WorldCom, Inc.; Robert Quinn, AT&T and James Casserly, counsel to AT&T; Audrey Wright, Cable & Wireless; Kelsi Reeves, Time Warner Telecom and Thomas Jones, counsel to Time Warner Telecom; Gerard Salemme, XO Communications; Russell Frisbee, CompTel; and Jonathan Askin, ALTS met with Chairman Michael Powell and Jeffrey Carlisle to discuss the above-referenced proceeding. In particular, members of the group, *inter alia*, described their use of interstate special access services provided by incumbent LECs to enter and compete in telecommunication markets. Members of the group also reviewed the material contained in the enclosed document.

Pursuant to section 1.1206(b)(1) of the Commission's rules, 47 C.F.R. § 1.1206(b)(1), an original and one copy of this letter and enclosure are being provided to you for inclusion in the public record of the above-referenced proceeding.

Sincerely,



A. Richard Metzger, Jr.

cc: Chairman Powell  
Jeffrey Carlisle

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Enclosure

# ILEC Special Access: The Critical Need for Performance Measurements and Standards



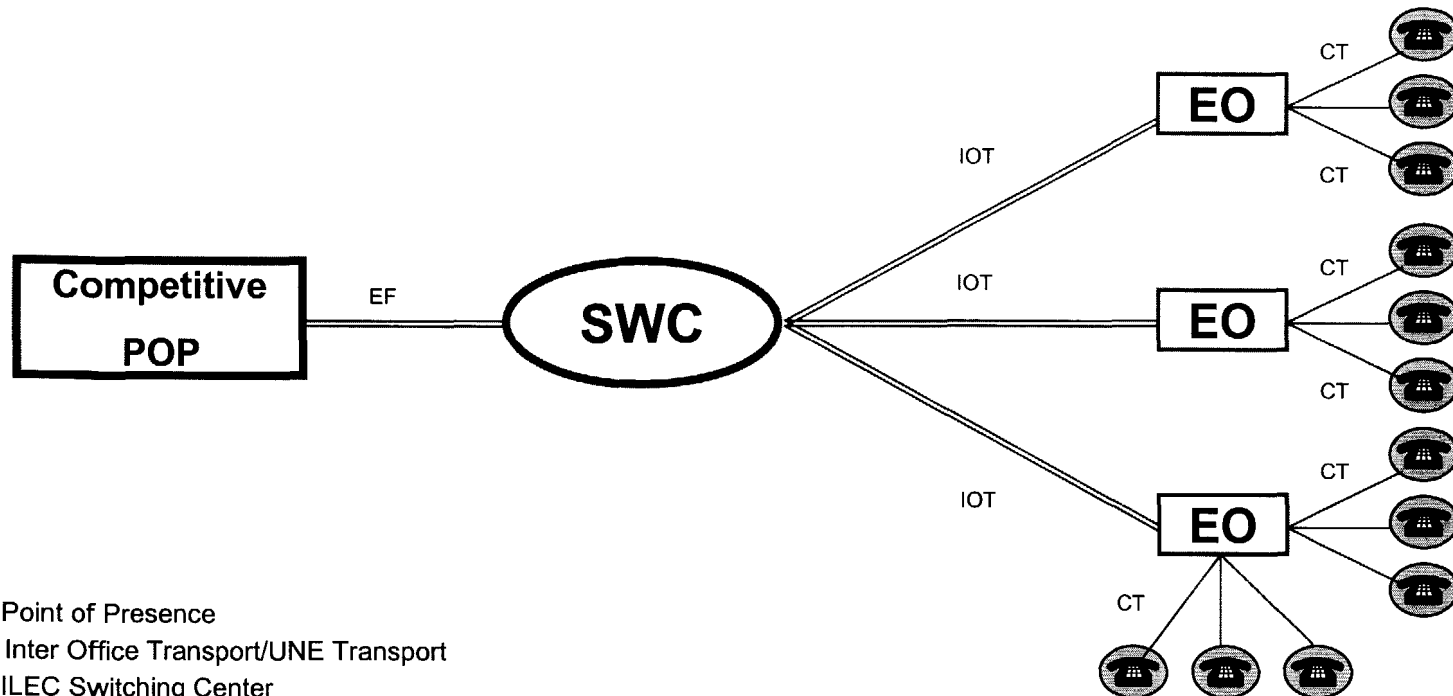
Presentation to the FCC  
November 2001

# Improving ILEC Accountability for Special Access Provisioning is a Business Imperative

- Facilities-based competitive carriers with widely-varying business models share one common characteristic: they are critically dependent on special access service provided by incumbent LECs to interconnect their networks and offer data, IP and other high bandwidth services in competition with incumbents
- Despite billions of dollars of investment in loops and transport by competitive carriers, ILEC facilities remain the only means of connecting to the vast majority of buildings, even in the most competitive market in the United States – New York City
- Chronic ILEC failures in provisioning result in increased costs, revenue loss, harm to reputation, and, in many cases, customer defections
- ILECs have a clear incentive and ability to discriminate and 271 approvals significantly increase BOC incentives to do so

# Access Network Topology

- Special access is:
  - Dedicated (unswitched) links between a competitor's pop and its end-user customers
  - Provided via the same facilities used to supply UNE loops and transport
  - Widely used by competitive carriers for interoffice facilities and local loops



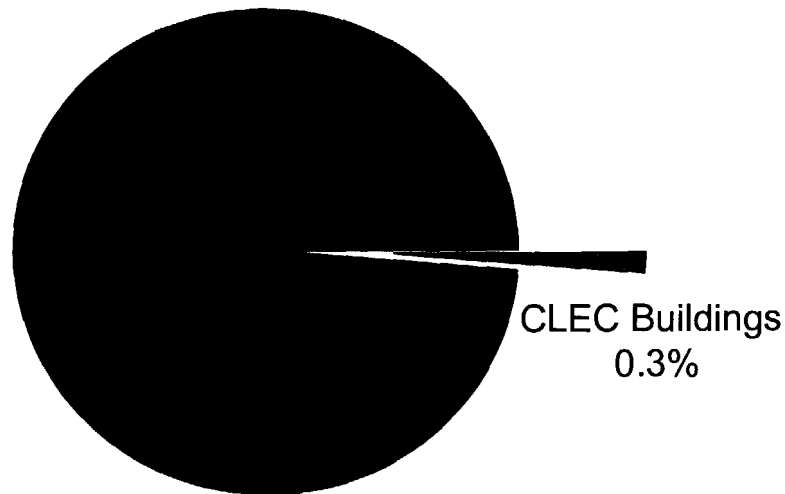
POP - Point of Presence  
IOT - Inter Office Transport/UNE Transport  
SWC - ILEC Switching Center  
EO - ILEC End Office  
EF - Entrance Facilities  
CT - Channel Termination/UNE Loop

# Competitive Carriers Depend on ILEC Special Access to Serve a Variety of Business Needs

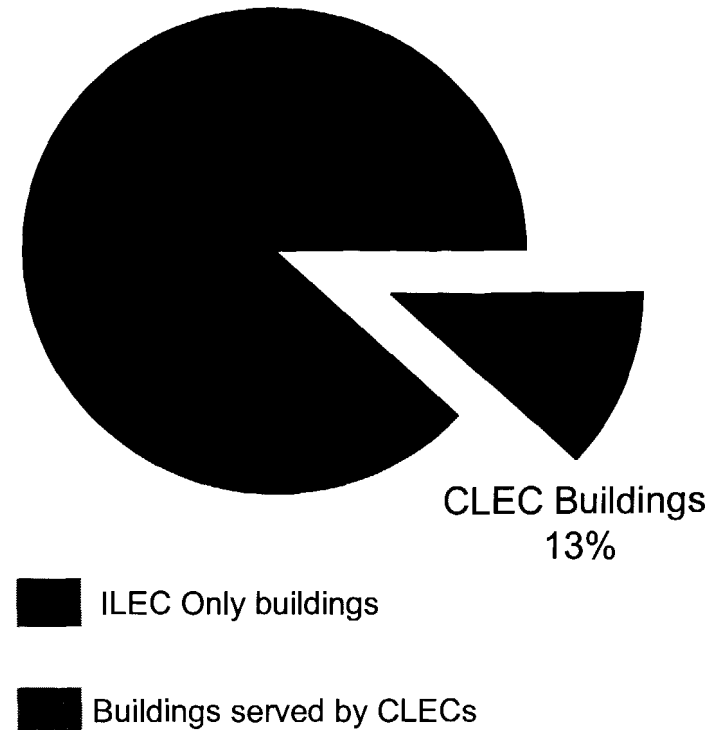
- Competitive facilities are not available in most buildings
- Difference in legal frameworks governing special access and UNEs yields significant practical consequences
  - ILECs assert statute does not require them to build new UNE facilities or connect existing facilities
  - As a result, competitors must use special access wherever new construction or new combinations are required
- ILEC delays and other problems with provisioning EELs cause CLECs to purchase special access in order to obtain access to needed loop and transport combinations.
- ILECs actively encourage use of special access in lieu of UNE loops and transport

# Even in the Most Competitive Areas, CLECs Serve a Small Fraction of Total Buildings

Building Coverage in 11 MSAs



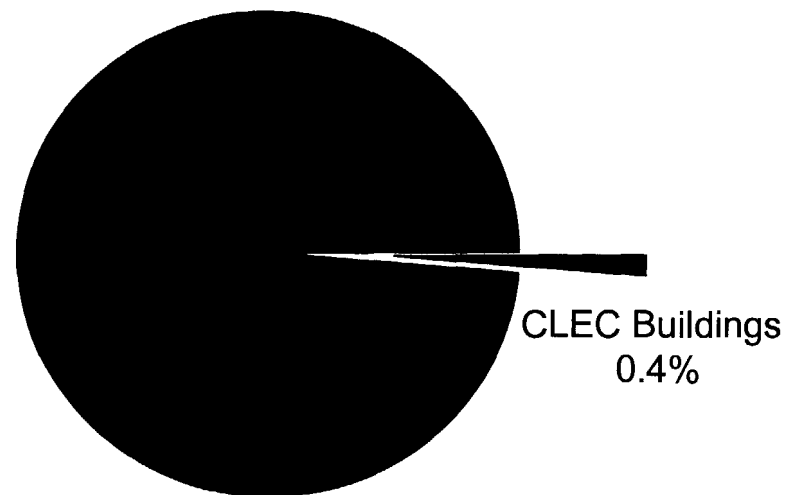
WorldCom Experience in  
Most Competitive Serving  
Areas\*



\*Central offices with CAP presence

# In New York City, Competitive Providers Serve Less than 1% of the Buildings\*

Building Coverage in NYC



ILEC Only Buildings

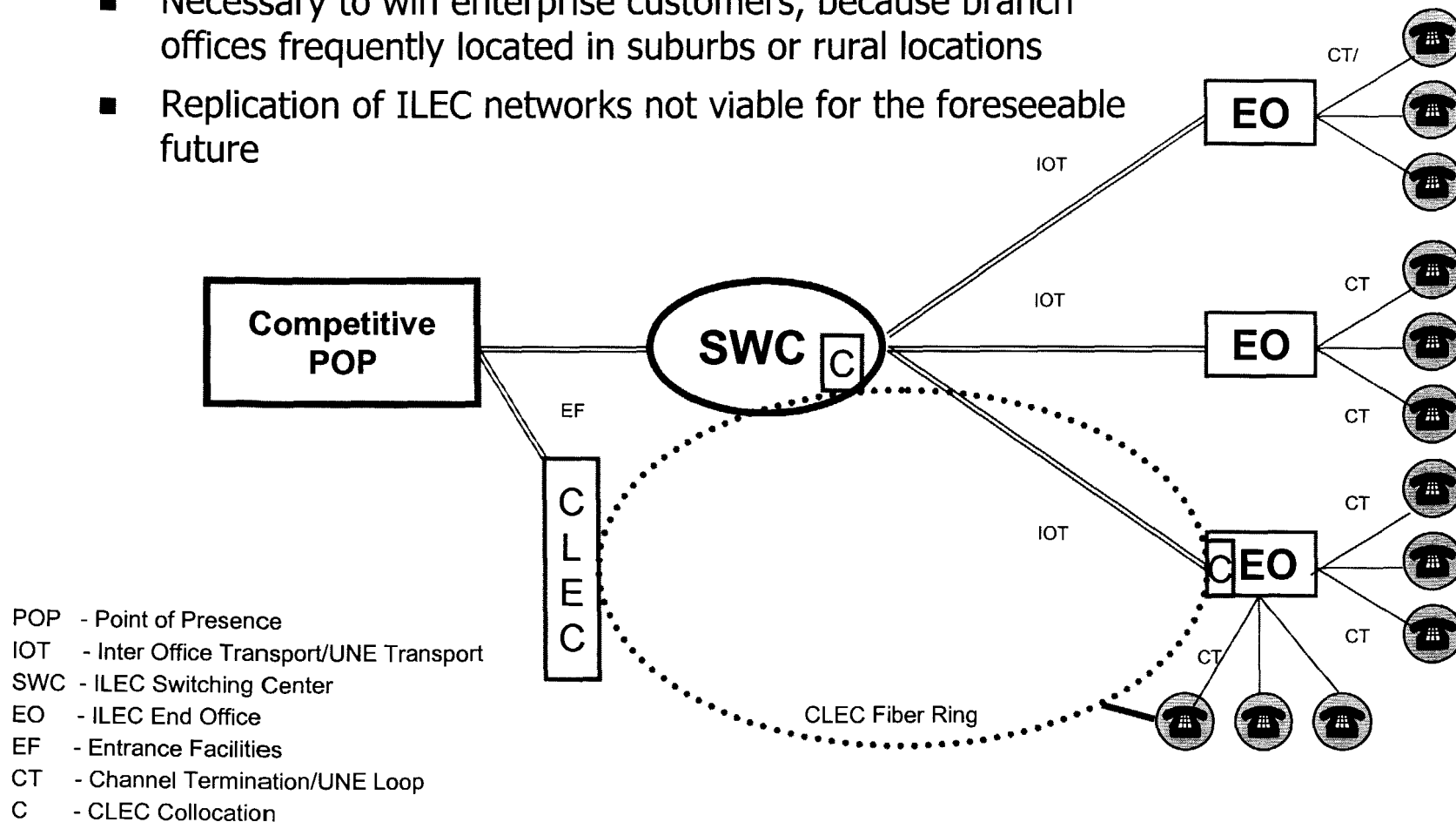
Buildings served by CLECs

\* Commercial, industrial, mixed use  
or public institutions

Source: State of New York Public  
Service Commission

# ILEC Loop and Transport Facilities are Often the Sole Means for Connecting ILEC Central Offices and End-user Customers, Even in Areas with Multiple Fiber Rings

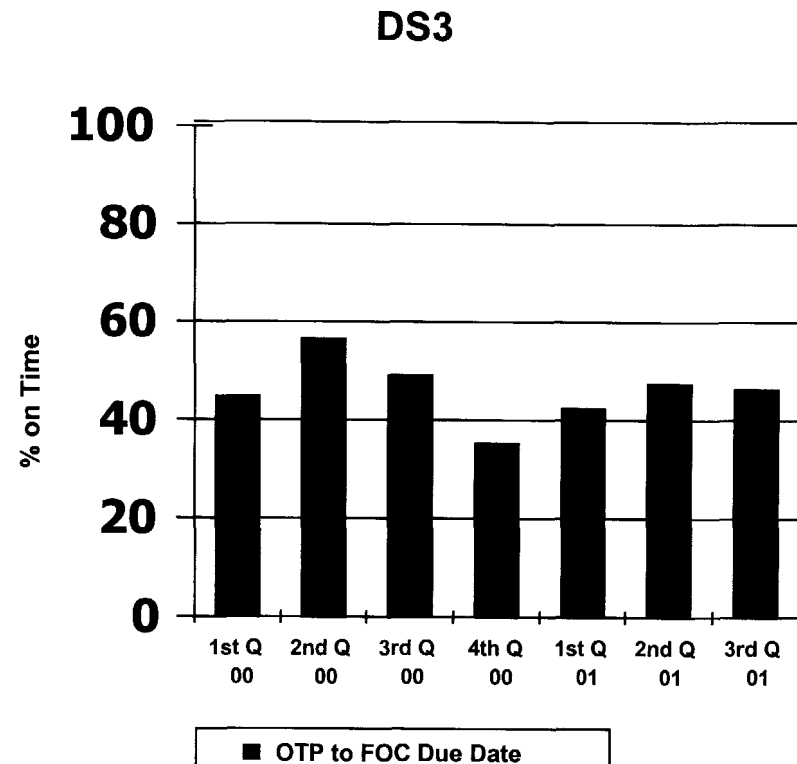
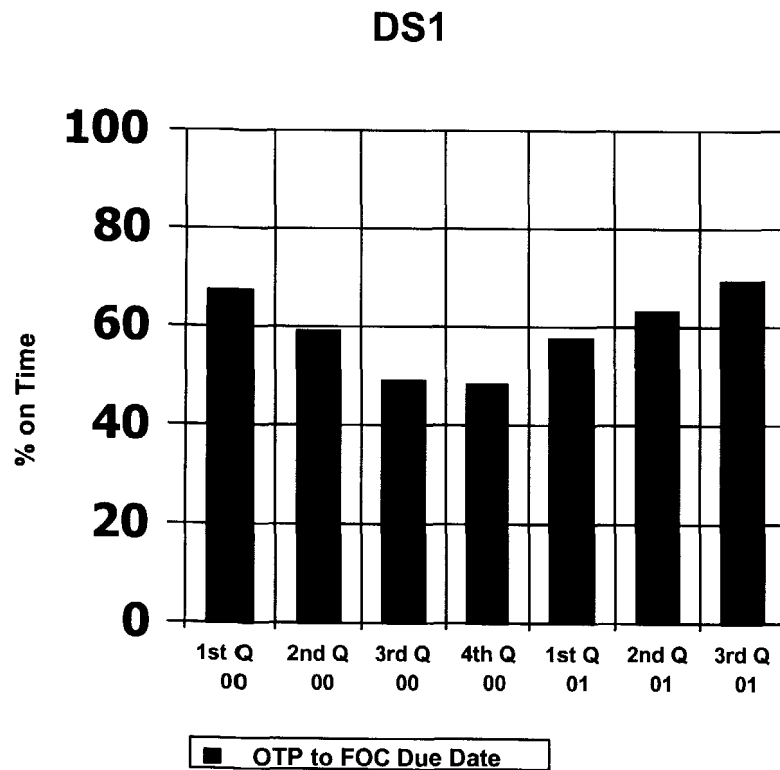
- Necessary to win enterprise customers, because branch offices frequently located in suburbs or rural locations
- Replication of ILEC networks not viable for the foreseeable future





# ILEC Performance Problems are Persistent

On time Performance (OTP) for WorldCom



# Existing Requirements are Inadequate

- No carrier-specific data in ARMIS
- ILECs provide data only on special access circuits purchased by IXC's and end users (but not CLECs)
- ARMIS is silent on many aspects of special access
- No requirement that ILEC tariff include standard intervals

# Special Access Performance Standards Needed for Facilities-Based Competition

- Both special access and UNEs are critical to the provision of competitive services
  - Local
  - Data
  - Long distance
- Absence of performance metrics for special access allows:
  - ILEC discrimination (incentives increase with 271 approvals)
  - Unpredictable service delivery with no meaningful recourse
  - Increased costs to competitive carriers, and increased costs and disruption to end users
  - Loss of customers to ILECs
- States have acknowledged problems with special access provisioning, but lack power to provide solutions

## Final Thoughts

- FCC should promptly adopt performance metrics and standards, reporting requirements and effective enforcement mechanisms for ILEC special access provisioning
- Based on experience in states, adopting objective rules will have immediate positive impact on ILEC provisioning performance